

**York County Community Foundation and
Affiliates**

**Consolidated Financial Statements and
Supplementary Information**

December 31, 2017 and 2016



York County Community Foundation and Affiliates

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December 31, 2017 and 2016

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Independent Auditor's Report

To the Board of Directors
York County Community Foundation and
Affiliates
York, Pennsylvania

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of York County Community Foundation and Affiliates, which comprise the consolidated statement of financial position as of December 31, 2017 and 2016, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of York County Community Foundation and Affiliates as of December 31, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

RKL LLP

May 7, 2018
York, Pennsylvania

York County Community Foundation and Affiliates

Consolidated Statement of Financial Position

	December 31,	
	2017	2016
Assets		
Assets		
Cash	\$ 98,789	\$ 234,653
Investments	150,018,958	130,358,288
Contributions receivable	42,306	105,153
Beneficial interests in trusts	3,447,410	3,113,754
Cash surrender value of life insurance	1,219,084	1,189,186
Leasehold improvements and equipment (less accumulated depreciation: \$619,402 in 2017 and \$614,111 in 2016)	28,146	5,510
Total Assets	\$ 154,854,693	\$ 135,006,544
Liabilities and Net Assets		
Liabilities		
Grants and fund distribution payables	\$ 500,000	\$ 150,562
Accounts payable and accrued liabilities	203,049	51,493
Liability to life income beneficiaries under split-interest agreements	3,636,930	3,536,529
Funds held as agency endowments	21,911,907	18,342,266
Total Liabilities	26,251,886	22,080,850
Net Assets		
Unrestricted	120,970,452	105,935,103
Temporarily restricted	4,253,157	3,936,804
Permanently restricted	3,379,198	3,053,787
Total Net Assets	128,602,807	112,925,694
Total Liabilities and Net Assets	\$ 154,854,693	\$ 135,006,544

York County Community Foundation and Affiliates

Consolidated Statement of Activities

	Year Ended December 31, 2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenues, Gains, and Support				
Total amounts raised	\$ 7,726,010	\$ 256,697	\$ -	\$ 7,982,707
Less amounts received as agency endowments	1,727,145	-	-	1,727,145
Contributions	5,998,865	256,697	-	6,255,562
Investment income	2,581,948	48,616	-	2,630,564
Less investment income for agency endowments	197,955	-	-	197,955
	2,383,993	48,616	-	2,432,609
Investment gains	15,015,441	-	-	15,015,441
Less investment gains for agency endowments	2,376,822	-	-	2,376,822
	12,638,619	-	-	12,638,619
Release of agency endowment liability	18,029	-	-	18,029
Change in value of split-interest agreements	24,796	325,084	-	349,880
Gains from beneficial interest in trusts	-	-	325,411	325,411
Other income	103,794	-	-	103,794
Net assets released from restrictions	314,044	(314,044)	-	-
	460,663	11,040	325,411	797,114
Total Revenues, Gains, and Support	21,482,140	316,353	325,411	22,123,904
Expenses				
Program services				
Distributions from funds	5,300,794	-	-	5,300,794
Less distributions from agency endowments	714,252	-	-	714,252
Grant Distributions	4,586,542	-	-	4,586,542
Charitable programs	803,889	-	-	803,889
Total Program Services	5,390,431	-	-	5,390,431
Administrative	664,829	-	-	664,829
Development	391,531	-	-	391,531
Total Expenses	6,446,791	-	-	6,446,791
Change in Net Assets	15,035,349	316,353	325,411	15,677,113
Net Assets at Beginning of Year	105,935,103	3,936,804	3,053,787	112,925,694
Net Assets at End of Year	\$ 120,970,452	\$ 4,253,157	\$ 3,379,198	\$ 128,602,807

See accompanying notes.

York County Community Foundation and Affiliates

Consolidated Statement of Activities (continued)

	Year Ended December 31, 2016			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenues, Gains, and Support				
Total amounts raised	\$ 4,631,693	\$ 54,440	\$ -	\$ 4,686,133
Less amounts received as agency endowments	834,390	-	-	834,390
Contributions	3,797,303	54,440	-	3,851,743
Investment income	2,369,422	72	-	2,369,494
Less investment income for agency endowments	184,221	-	-	184,221
	2,185,201	72	-	2,185,273
Investment gains	5,532,200	-	-	5,532,200
Less investment gains for agency endowments	884,656	-	-	884,656
	4,647,544	-	-	4,647,544
Release of agency endowment liability	-	-	-	-
Change in value of split-interest agreements	(35,209)	140,733	-	105,524
Losses from beneficial interest in trusts	-	-	(4,733)	(4,733)
Other income	478,517	-	-	478,517
Net assets released from restrictions	305,483	(305,483)	-	-
	748,791	(164,750)	(4,733)	579,308
Total Revenues, Gains, and Support	11,378,839	(110,238)	(4,733)	11,263,868
Expenses				
Program services				
Distributions from funds	5,259,664	-	-	5,259,664
Less distributions from agency endowments	693,515	-	-	693,515
Grant Distributions	4,566,149	-	-	4,566,149
Charitable programs	690,745	-	-	690,745
Total Program Services	5,256,894	-	-	5,256,894
Administrative	597,781	-	-	597,781
Development	312,524	-	-	312,524
Total Expenses	6,167,199	-	-	6,167,199
Change in Net Assets	5,211,640	(110,238)	(4,733)	5,096,669
Net Assets at Beginning of Year	100,723,463	4,047,042	3,058,520	107,829,025
Net Assets at End of Year	\$ 105,935,103	\$ 3,936,804	\$ 3,053,787	\$ 112,925,694

See accompanying notes.

York County Community Foundation and Affiliates

Consolidated Statement of Cash Flows

	Years Ended December 31,	
	2017	2016
Cash Flows from Operating Activities		
Change in net assets	\$ 15,677,113	\$ 5,096,669
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	5,291	11,133
Net unrealized and realized investment gains	(15,015,441)	(5,532,200)
Non-cash contributions	(4,099,518)	(251,239)
Proceeds from sale of donated securities	4,074,202	250,118
Increase in cash surrender value of life insurance	(29,898)	(28,287)
Changes in operating assets and liabilities		
Contributions receivable	62,847	16,354
Beneficial interests in trusts	(333,656)	218,017
Accounts payable and accrued liabilities	151,556	(67,782)
Grants payable	349,438	55,137
Liability to life income beneficiaries under split-interest agreements	100,401	593,350
Funds held as agency endowments	3,569,641	1,209,752
	<u>4,511,976</u>	<u>1,571,022</u>
Net Cash Provided by Operating Activities		
Cash Flows from Investing Activities		
Purchase of investments	(119,254,542)	(68,351,476)
Proceeds from sale of investments	117,215,978	64,189,861
Capital expenditures	(27,927)	-
	<u>(2,066,491)</u>	<u>(4,161,615)</u>
Net Cash Used in Investing Activities		
Increase (Decrease) in Cash and Cash Equivalents		
	2,445,485	(2,590,593)
Cash and Cash Equivalents at Beginning of Year		
	<u>7,770,238</u>	<u>10,360,831</u>
Cash and Cash Equivalents at End of Year		
	<u>\$ 10,215,723</u>	<u>\$ 7,770,238</u>

Supplementary Schedule of Noncash Investing and Financing Activities

In 2017

Noncash contributions consist of investments of \$4,099,518.

In 2016

Noncash contributions consist of investments of \$251,239.

York County Community Foundation and Affiliates

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

Note 1 - Nature of Operations

The York County Community Foundation (Foundation) is a community foundation. Under Internal Revenue Code Sections 501(c)(3), 170(b)(1)(A)(vi) and Section 509(a), it is a public support charitable organization, gifts to which are deductible for tax purposes.

The York County Community Foundation Advocacy Council (Council) (a Pennsylvania nonprofit organization) was formed to study community challenges and concerns and to develop and advocate support for recommendations.

Memorial Health Fund (Memorial) (a Pennsylvania nonprofit organization) is an affiliate of York County Community Foundation as a supporting organization. Its purpose is to improve the complete physical, mental, and social well-being of the residents of York County.

For purposes of these consolidated financial statements, the entities are collectively referred to as the Organization. The Organization's primary sources of revenue are from investment income and contributions.

Note 2 - Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows:

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, if any, at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Consolidation

The consolidated financial statements include the accounts of the York County Community Foundation, Memorial Health Fund, and the York County Community Foundation Advocacy Council. All significant intercompany transactions and balances have been eliminated in consolidation.

Basis of Presentation

The Organization utilizes the accrual method of accounting and follows the *Not-for-Profit Entities Topic* of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), which requires the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Note 2 - Summary of Significant Accounting Policies (continued)

Contributions

Contributions are recorded as revenue when an unconditional promise to give is received. Contributions subject to conditions are recorded as revenue when the conditions limiting the transfer of assets have been satisfied, typically when the promise becomes irrevocable. Contributions are recorded at fair value at the date of donation. Contributions receivable are recorded at the present value of expected net proceeds ultimately payable to the Organization. Contributions with donor-imposed restrictions that are met in the same year as received are reported as unrestricted. Potential uncollectible contributions receivable at year-end are considered immaterial to total contributions receivable; therefore, an allowance for such losses has not been established.

Grants

The Organization records grants when all conditions stipulated by the grant have been substantially met. Grant cancellations and refunds of paid grants are recorded as they occur. Direct charitable service program expenses are recorded as incurred.

Leasehold Improvements and Equipment

The Organization's policy is to capitalize all leasehold improvements and equipment with a useful life of greater than one year. Amortization and depreciation is provided on the straight-line method. Leasehold improvements are amortized over the life of the lease and equipment is depreciated over the estimated useful lives of the respective assets.

Maintenance and repairs are charged to expense when paid; major renewals and betterments greater than \$1,000 are capitalized. When items of furniture, equipment, or leasehold improvements are sold or retired, the related cost and accumulated depreciation and amortization are removed from the accounts and any gain or loss is included in the results of operations.

Net Asset Classification

All contributions, including those with donor-imposed restrictions, are subject to the variance power of the Organization, as established in its governing documents. The variance power gives the Board of Directors the ability to modify donor restrictions that are incapable of fulfillment or inconsistent with the charitable needs of the community. As a result of the variance power, most contributions are classified as unrestricted net assets for consolidated financial statement purposes.

Temporarily restricted net assets are comprised of irrevocable charitable trusts and contributions with restrictions that will expire when stipulated time restrictions end or purpose restrictions are fulfilled.

When donor restrictions expire, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

Permanently restricted net assets represent contributions that are subject to donor-imposed stipulations, which restrict spendability. Permanently restricted net assets are comprised of interest in perpetual trusts held by a third party.

Note 2 - Summary of Significant Accounting Policies (continued)

Cash Equivalents

The Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Investments

The goal of the Organization is to invest its assets in a manner that will preserve and enhance the real value of the assets over time. The investment policy strives to achieve a total rate of return sufficient to replace the assets spent for grants and expenses and recoup any value lost due to inflation. To minimize risk, the Organization diversifies its investments among various financial instruments and asset categories and uses multiple managers. The Organization's portfolios are managed by outside investment managers who invest according to the investment guidelines established by the Investment Committee and approved by the Board of Directors.

Dividend and interest income is accrued as such income is earned.

Beneficial Interests in Trusts

Beneficial interests in trusts consist of beneficial interests in charitable remainder trusts and beneficial interests in perpetual trusts.

For beneficial interests in charitable remainder trusts, donors established and funded trusts under which specified distributions are made to a designated beneficiary or beneficiaries over the trusts' terms. Upon termination of the trusts, the Organization receives the assets remaining in the trusts. Beneficial interests in charitable remainder trusts are recorded at the fair value of the trusts' assets net of the present value of the estimated future payments to be made under the specific terms of the trusts. Changes in net assets of the trusts are recorded as gains or losses (change in value of trusts) in the consolidated statement of activities. Net assets and changes in the net assets are recorded as temporarily restricted.

For beneficial interests in perpetual trusts, the Organization is the beneficiary of several perpetual trusts held by a third party. Under the terms of the trusts, the Organization has the irrevocable right to receive the income generated by the trust in perpetuity. The beneficial interests in perpetual trusts are recorded at fair value. Changes in net assets of trusts are recorded as gain or losses (change in value of trusts) on the consolidated statement of activities. Net assets and changes in the net assets are recorded as permanently restricted. Distributions received from these trusts are recorded as unrestricted investment income.

Liability to Life Income Beneficiaries under Split-Interest Agreements

The Organization acts as trustee for certain charitable remainder unitrusts. The Organization is also an issuer of charitable gift annuities. The net present value of the anticipated benefit to be received from these agreements is recorded as contribution revenue in the year the agreement is created. The present value of the estimated future payments to be distributed during the beneficiary's expected life is recorded as a liability.

As required distributions are made to these beneficiaries, the liabilities are reduced. Adjustments to the liabilities to reflect amortization of the discount, revaluations of the present value of the estimated future payments and changes in actuarial assumptions are recognized in the consolidated statement of activities as a change in the value of split-interest agreements.

York County Community Foundation and Affiliates

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

Note 2 - Summary of Significant Accounting Policies (continued)

Funds Held as Agency Endowments

Funds held as agency endowments consist of assets transferred from nonprofit organizations that specified themselves or an affiliate as the beneficiary of the fund. It is a reciprocal agreement between the nonprofit organization and the Organization.

Assets are transferred permanently to an endowed fund at the Organization. The assets are invested in an appropriate endowment portfolio allocation and an annual spending policy is applied to determine the maximum amount available to grant to the nonprofit organization during the year. An administrative fee is charged to each fund based on the fund balance.

These endowed funds provide a steady and reliable annual income stream to the nonprofit organization.

Income Taxes

The Foundation is a nonprofit entity as described in Section 501(c)(3) of the Internal Revenue Code (Code) and is exempt from income taxes on related activities pursuant to Section 509(a) of the Code.

Memorial is a nonprofit entity as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes on related activities pursuant to Section 509(a) of the Code.

The Council is a nonprofit entity as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes on related activities pursuant to Section 509(a) of the Code. In addition, the Council was organized under the Pennsylvania Nonprofit Corporation Law and is exempt from state income taxes.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization, including whether the entity is exempt from income taxes. Management of the Organization evaluated the tax positions taken and concluded that the Organization had taken no uncertain tax positions that require recognition or disclosure in the consolidated financial statements. Therefore, no provision or liability for income taxes has been included in the consolidated financial statements. With few exceptions, the Organization is no longer subject to income tax examinations by the U.S. Federal, state, or local tax authorities for years before 2014.

Functional Allocation of Expenses

Functional expenses are charged directly to program, management and general (administrative), and fundraising (development) expenses in general categories based on specific identification.

York County Community Foundation and Affiliates

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

Note 2 - Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements

In May 2014, FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, which provides a robust framework for addressing revenue recognition issues and, upon its effective date, replaces almost all existing revenue recognition guidance. This guidance is effective for annual reporting periods beginning after December 15, 2018. The Organization is currently evaluating the impact of the pending adoption of the new standard on the consolidated financial statements.

In May 2015, FASB issued ASU 2015-07, *Fair Value Measurement (Topic 850): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, which removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. ASU 2015-07 also limits certain disclosures to investments for which the entity has elected to measure the fair value using the practical expedient. This ASU will be effective for the Organization for fiscal years beginning after December 15, 2016. Early adoption is permitted and the amendments in ASU 2015-07 should be applied retrospectively to all periods presented. The Organization adopted this standard during the year ended December 31, 2017.

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in *Topic 840, Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the consolidated statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statement of activities. The new standard is effective for fiscal years beginning after December 15, 2019. The Organization is currently evaluating the impact of the pending adoption of the new standard on the consolidated financial statements.

In August 2016, FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, "net assets with donor restrictions" and "net assets without donor restrictions", and expands disclosures about the nature and amount of any donor restrictions. This guidance is effective for annual periods beginning after December 15, 2017. The Organization is currently evaluating the impact of the pending adoption of the new standard on the consolidated financial statements.

Note 3 - Cash and Cash Equivalents

Cash and cash equivalents consist of the following as of December 31:

	<u>2017</u>	<u>2016</u>
Cash	\$ 98,789	\$ 234,653
Cash equivalents shown as investments	<u>10,116,934</u>	<u>7,535,585</u>
	<u>\$ 10,215,723</u>	<u>\$ 7,770,238</u>

York County Community Foundation and Affiliates

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

Note 4 - Investments

Investments are at fair value and consist of the following as of December 31:

	<u>2017</u>	<u>2016</u>
Cash equivalents	\$ 10,116,934	\$ 7,535,585
Fixed income funds	15,972,624	23,425,640
Equity securities	106,797,330	79,526,747
Other investments	325,000	356,000
Alternative investments	16,807,070	19,514,316
	<u>\$ 150,018,958</u>	<u>\$ 130,358,288</u>

During 2017, the Organization changed one of its two investment managers. The new investment manager holds the investments in pooled separate funds.

Equity securities include equity-based mutual funds and pooled separate investments. Fixed income funds include fixed income-based mutual funds and pooled separate investments (refer to Note 7).

Investment income on the consolidated statement of activities is reported net of manager, consultant and custodian fees of \$1,214,544 and \$1,007,334 for the years ended December 31, 2017 and 2016, respectively.

Note 5 - Contributions Receivable

Contributions receivable amount to the following as of December 31:

	<u>2017</u>	<u>2016</u>
Receivable in less than one year	\$ 42,306	\$ 76,252
Receivable in one to five years	-	30,913
Total Contributions Receivable	42,306	107,165
Discount to net present value	-	(2,012)
	<u>\$ 42,306</u>	<u>\$ 105,153</u>

York County Community Foundation and Affiliates

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

Note 6 - Alternative and Pooled Investments

The Organization invests in hedged funds, pooled separate accounts, private equity, and other alternative investments to further diversify its investment portfolio. The funds (primarily the hedge funds and private equity) have investments in certain securities, limited partnerships, real estate, and other investment funds for which market values may not be readily available. The underlying portfolio funds may hold investments for which market quotations are not readily available and thus valued at their fair value, as determined in good faith by their respective portfolio fund managers. Investments in limited partnerships and other investment funds are valued at fair value, which is generally the latest net asset value made available by the fund manager or administrator prior to the valuation date.

The Organization also holds assets placed with a money manager who holds the investments in pooled separate accounts. The value of these investments are held at the net asset value (NAV) of the units held. The NAV is issued as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities.

The funds hold certain investments, which may be valued by a single market maker. The estimated values may differ significantly from the values that would have been used had a ready market for the investment existed; they may have been affected by the decline in liquidity and prices of investments and real estate or by the lack of observable transaction data and inputs in certain transactions. Actual results could differ from those estimates, and the difference could be material.

The alternate investment category consists of the following:

	Fair Value		Unfunded Commitment	Redemption Frequency	Redemption Notice Period
	December 31, 2017	December 31, 2016			
Pooled Investments					
Fixed Income					
Multi-Strategy Bond Investors LLC	\$ 7,636,696	\$ -	\$ -	Monthly	5 days
Equity					
Strategic Solutions Global Equity Fund LLC	61,630,606	-	-	Monthly	5 days
SSGA S&P Global Largemidcap Natural Resources Index	4,319,561	-	-	Daily	2 days
SSGA Tuckerman US REIT Index	3,496,893	-	-	Daily	2 days
SSGA S&P 500 Screened Index	63,705	-	-	Daily	1 day
SSGA MSCI ACWI EX US IMI Screened Index	57,202	-	-	Monthly	2 days
Alternative Investments					
Hedge Funds					
FEG Absolute Access Fund I LLC	929,596	9,461,510	-	Semi-Annual	95 days
FEG Directional Access TEI Fund LLC	2,713,820	8,321,042	-	Semi-Annual	95 days
Global Absolute Alpha Company Class D	10,524,300	-	-	Quarterly	65 days
Private Equity					
Global Private Equity Partners 2014	2,232,956	1,731,764	2,040,000	None	None
CCI-SSG Global Private Equity Fund II	374,447	-	3,216,500	None	None
Venture Partners XII	31,951	-	1,470,000	None	None

York County Community Foundation and Affiliates

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

Note 6 - Alternative and Pooled Investments (continued)

	Fair Value		Unfunded Commitment	Redemption Frequency	Redemption Notice Period
	December 31, 2017	December 31, 2016			
Alternative Investments (continued)					
Real Estate					
Strategic Solutions Core Real Estate Fund	-	-	4,500,000	Quarterly	120 days

During March 2017, the Organization tendered redemption offers for the two FEG funds. As of December 31, 2017, liquidation was pending completion of the final fund audits.

The private equity funds were entered under terms of subscription agreements and have no redemption options and the investment will terminate on February 4, 2029. Drawdowns for the years ended December 31, 2017 and 2016 amounted to \$633,500 and \$980,000, respectively.

Risks arise from changes in the value of the transactions, contracts, and agreements and the potential inability of the funds to timely liquidate individual funds or real estate in the portfolio. There are numerous factors that may significantly influence the market value of these contracts and agreements, including interest rate volatility and currency and future adverse political and economic developments involving investments in foreign companies. These factors were considered by the Organization prior to making this investment and it was determined the investment would be beneficial to leverage risk in other areas of the investment portfolio.

Note 7 - Fair Value of Financial Instruments

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

York County Community Foundation and Affiliates

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

Note 7 - Fair Value of Financial Instruments (continued)

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used are required to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2017 and 2016.

Cash equivalents: these assets have liquidity available within 90 days or less from initial purchase date and therefore do not need to be marked to market.

Mutual funds: valued based on quoted market prices for the identical securities.

Other investments: marketable and nonmarketable securities include alternative investments and pooled separate investments and are valued using the net asset value (NAV) of the fund obtained from the general partner or investment manager. Substantially all the underlying investments are marked to market, with the general partner reserving the right to make adjustments to such valuations or approve the use of certain estimates if deemed necessary to reflect the appropriate estimated fair value.

Beneficial interests in perpetual trusts (trusts): valued at the Organization's interest in the quoted market prices of the underlying assets contained in the trusts at year-end. Control of the assets is held by the Trustee, not the Organization.

Additionally, certain of the Organization's beneficial interests in perpetual trusts were invested in assets whose fair value was determined using net asset value of the respective trust's investments. Although the investments in these trusts are exclusively identified as Level 3 in accordance with ASC 820, the underlying holdings of the investments fund are comprised of a combination of Level 1, 2, and 3 securities. The investments fund reports the net asset value of the fund's investment to the fund on a periodic basis.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value at time of sale or maturity or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

York County Community Foundation and Affiliates

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

Note 7 - Fair Value of Financial Instruments (continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31:

	2017			Total
	Level 1	Level 2	Level 3	
Assets				
Cash Equivalents	\$ 10,116,934	\$ -	\$ -	\$ 10,116,934
Mutual Funds				
Domestic stock funds	21,937,351	-	-	21,937,351
International stock funds	8,797,882	-	-	8,797,882
Fixed income funds	8,335,928	-	-	8,335,928
Real estate funds	3,097,131	-	-	3,097,131
Natural resources funds	3,059,222	-	-	3,059,222
Precious metals funds	337,777	-	-	337,777
Other	-	-	325,000	325,000
	<u>\$ 55,682,225</u>	<u>\$ -</u>	<u>\$ 325,000</u>	<u>56,007,225</u>
Pooled Separate Investments (a)				
Equity				69,567,967
Fixed income				7,636,696
Alternative Investments (a)				
Hedge funds				14,167,716
Private equity funds				2,639,354
Total Investments				<u>\$ 150,018,958</u>
Beneficial Interests in Perpetual Trusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,379,198</u>	<u>\$ 3,379,198</u>

York County Community Foundation and Affiliates

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

Note 7 - Fair Value of Financial Instruments (continued)

	2016			Total
	Level 1	Level 2	Level 3	
Assets				
Cash Equivalents	\$ 7,535,585	\$ -	\$ -	\$ 7,535,585
Mutual Funds				
Domestic stock funds	34,066,616	-	-	34,066,616
International stock funds	33,309,711	-	-	33,309,711
Fixed income funds	23,425,640	-	-	23,425,640
Real estate funds	5,092,593	-	-	5,092,593
Natural resources funds	7,057,827	-	-	7,057,827
Other	-	-	356,000	356,000
	<u>\$ 110,487,972</u>	<u>\$ -</u>	<u>\$ 356,000</u>	110,843,972
Alternative Investments (a)				
Hedge funds				17,782,552
Private equity funds				<u>1,731,764</u>
Total Investments				<u>\$ 130,358,288</u>
Beneficial Interests in Perpetual Trusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,053,787</u>	<u>\$ 3,053,787</u>

- (a) This class represents investments not on active markets that are measured at fair value using the net asset value per share (or its equivalent) practical expedient and have, therefore, not been classified in the fair value hierarchy (see Note 6).

York County Community Foundation and Affiliates

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

Note 7 - Fair Value of Financial Instruments (continued)

For investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the period, a reconciliation of the beginning and ending balances is required as follows for the years ended December 31:

	<u>2017</u>	<u>2016</u>
Investments		
Beginning balance	\$ 356,000	\$ 81,000
Sales	(31,000)	-
Purchases	-	275,000
Ending balance	<u>\$ 325,000</u>	<u>\$ 356,000</u>
Beneficial Interests in Perpetual Trusts		
Beginning balance	\$ 3,053,787	\$ 3,058,520
Change in beneficial interests in perpetual trusts	<u>325,411</u>	<u>(4,733)</u>
Ending balance	<u>\$ 3,379,198</u>	<u>\$ 3,053,787</u>

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Organization evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the years ended December 31, 2017 and 2016, there were no transfers in or out of Levels 1, 2, or 3.

The carrying amounts of cash, accounts payable and accrued expenses, and grants payable in the accompanying consolidated statement of financial position, approximate fair value given the short-term nature of these financial instruments.

York County Community Foundation and Affiliates

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

Note 8 - Grants and Fund Distributions

Grants and fund distributions approved and paid in 2017 and 2016 and those committed for future payments consisted of the following at December 31, 2017 and 2016:

	<u>Grants</u>	<u>Distributions from Agency Endowments</u>	<u>Total</u>
Payable December 31, 2015	\$ 95,425	\$ -	\$ 95,425
2016 grants approved	4,566,149	693,515	5,259,664
2016 grants paid	<u>(4,519,599)</u>	<u>(684,928)</u>	<u>(5,204,527)</u>
Payable December 31, 2016	141,975	8,587	150,562
2017 grants approved	4,586,542	714,252	5,300,794
2017 grants paid	<u>(4,228,517)</u>	<u>(722,839)</u>	<u>(4,951,356)</u>
Payable December 31, 2017	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 500,000</u>

Grants payable as of December 31, 2017 are payable in 2018 at \$460,000 and 2019 at \$40,000.

Note 9 - Organization Endowment Funds Held for Others

The Organization maintains variance power and legal ownership of organization endowment funds, and as such, continues to report the funds as assets of the Organization. However, in accordance with the *Not-for-Profit Entities Topic* of the FASB ASC, a liability has been established as funds held as agency endowments, which is equivalent to the funds' current fair market value.

	<u>2017</u>	<u>2016</u>
Funds held as agency endowments	\$ 21,911,907	\$ 18,342,266
Grants payable	<u>-</u>	<u>8,587</u>
Organization Endowment Funds Held for Others	<u>\$ 21,911,907</u>	<u>\$ 18,350,853</u>

Note 10 - Retirement Plan

The Organization maintains a 403(b)(7) tax-deferred retirement plan that covers employees who meet certain eligibility requirements. The Organization's contributions to the plan are comprised of a matching contribution equal to 100% of an employee's contribution, not to exceed 5% of an employee's compensation. Participants may make voluntary contributions to the plan up to Internal Revenue Service guideline amounts. Employer contributions to the plan were \$40,591 and \$34,470 for the years ended December 31, 2017 and 2016, respectively.

York County Community Foundation and Affiliates

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

Note 11 - Operating Lease

The Organization has a lease agreement for office space through 2023. Renovations to the expanded space are capitalized as leasehold improvements. Rent expense under the lease for the years ended December 31, 2017 and 2016 was \$65,440 and \$42,154, respectively.

Future minimum rental lease payments, assuming no change in current terms, consist of the following for the five years ending December 31, 2022; and thereafter:

2018	\$	66,638
2019		67,945
2020		69,320
2021		70,696
2022		72,140
Thereafter		73,584
		<hr/>
	\$	420,323
		<hr/>

Note 12 - Concentration of Credit Risk

In the normal course of business, the Organization has cash deposits in a financial institution in excess of the amount insured by agencies of the federal government. The Organization's investments are subject to fluctuations in the fair values of these investments. As a result of fluctuations, net assets may be impacted by the changes in general economic conditions. At times during the years ended December 31, 2017 and 2016, the Organization's cash balances may have exceeded federally insured limits.

Note 13 - Contingencies

The Organization may be subject to claims or litigation in the ordinary course of business. Regarding the exposure from Memorial Hospital, Memorial has purchased a tail insurance policy to cover malpractice claims which may arise. Management is of the opinion that there are no outstanding claims against the Organization that would have a materially adverse effect on the Organization's financial position or result of activities as of December 31, 2017.

Note 14 - Subsequent Events

Management of the Organization has evaluated all subsequent events through May 7, 2018. This date is the date the consolidated financial statements were available to be issued. No material events subsequent to December 31, 2017 were noted other than those discussed in Note 6 of the consolidated financial statements.

Note 15 - Reclassifications

Certain information in the 2016 consolidated financial statements and related footnotes contain reclassifications necessary to make that information comparable to information presented in the 2017 consolidated financial statements.

York County Community Foundation and Affiliates

Consolidating Statement of Financial Position

	December 31, 2017				
	York County Community Foundation	York County Community Foundation Advocacy Council	Memorial Health Fund	Eliminations	Total
Assets					
Assets					
Cash	\$ 87,160	\$ 100	\$ 11,529	\$ -	\$ 98,789
Investments	149,945,769	-	73,189	-	150,018,958
Contributions receivable	42,306	-	-	-	42,306
Beneficial interests in trusts	1,069,730	-	2,377,680	-	3,447,410
Beneficial interest in community foundation	(18,195,548)	-	18,294,065	(98,517)	-
Cash surrender value of life insurance	1,219,084	-	-	-	1,219,084
Leasehold improvements and equipment (less accumulated depreciation of \$619,402)	28,146	-	-	-	28,146
Total Assets	\$ 134,196,647	\$ 100	\$ 20,756,463	\$ (98,517)	\$ 154,854,693
Liabilities and Net Assets					
Liabilities					
Grants and fund distribution payables	\$ 115,000	\$ -	\$ 385,000	\$ -	\$ 500,000
Accounts payable and accrued liabilities	201,848	-	1,201	-	203,049
Liability to life income beneficiaries under split-interest agreements	3,636,930	-	-	-	3,636,930
Funds held as agency endowments	22,010,424	-	-	(98,517)	21,911,907
Total Liabilities	25,964,202	-	386,201	(98,517)	26,251,886
Net Assets					
Unrestricted	102,977,770	100	17,992,582	-	120,970,452
Temporarily restricted	4,253,157	-	-	-	4,253,157
Permanently restricted	1,001,518	-	2,377,680	-	3,379,198
Total Net Assets	108,232,445	100	20,370,262	-	128,602,807
Total Liabilities and Net Assets	\$ 134,196,647	\$ 100	\$ 20,756,463	\$ (98,517)	\$ 154,854,693

York County Community Foundation and Affiliates

Consolidating Statement of Financial Position (continued)

	December 31, 2016				
	York County Community Foundation	York County Community Foundation Advocacy Council	Memorial Health Fund	Eliminations	Total
Assets					
Assets					
Cash	\$ 124,194	\$ 100	\$ 110,359	\$ -	\$ 234,653
Investments	130,327,288	-	31,000	-	130,358,288
Contributions receivable	95,855	-	9,298	-	105,153
Beneficial interests in trusts	973,102	-	2,140,652	-	3,113,754
Beneficial interest in community foundation	(16,255,356)	-	16,345,697	(90,341)	-
Cash surrender value of life insurance	1,189,186	-	-	-	1,189,186
Leasehold improvements and equipment (less accumulated depreciation of \$614,111)	5,510	-	-	-	5,510
Total Assets	\$ 116,459,779	\$ 100	\$ 18,637,006	\$ (90,341)	\$ 135,006,544
Liabilities and Net Assets					
Liabilities					
Grants and fund distribution payables	\$ 25,562	\$ -	\$ 125,000	\$ -	\$ 150,562
Accounts payable and accrued liabilities	51,493	-	-	-	51,493
Liability to life income beneficiaries under split-interest agreements	3,536,529	-	-	-	3,536,529
Funds held as agency endowments	18,432,607	-	-	(90,341)	18,342,266
Total Liabilities	22,046,191	-	125,000	(90,341)	22,080,850
Net Assets					
Unrestricted	89,684,494	100	16,250,509	-	105,935,103
Temporarily restricted	3,815,959	-	120,845	-	3,936,804
Permanently restricted	913,135	-	2,140,652	-	3,053,787
Total Net Assets	94,413,588	100	18,512,006	-	112,925,694
Total Liabilities and Net Assets	\$ 116,459,779	\$ 100	\$ 18,637,006	\$ (90,341)	\$ 135,006,544

York County Community Foundation and Affiliates

Consolidating Statement of Activities

	Year Ended December 31, 2017				
	York County Community Foundation	York County Community Foundation Advocacy Council	Memorial Health Fund	Eliminations	Total
Changes in Unrestricted Net Assets					
Revenues, Gains, and Support					
Total amounts raised	\$ 7,726,010	\$ 550	\$ 5,322	\$ (5,872)	\$ 7,726,010
Less amounts received as agency endowments	1,727,145	-	-	-	1,727,145
Contributions	5,998,865	550	5,322	(5,872)	5,998,865
Investment income	2,298,734	-	99,640	183,574	2,581,948
Less investment income for agency endowments	198,901	-	-	(946)	197,955
	2,099,833	-	99,640	184,520	2,383,993
Investment gains	13,083,666	-	-	1,931,775	15,015,441
Less investment gains for agency endowments	2,388,213	-	-	(11,391)	2,376,822
	10,695,453	-	-	1,943,166	12,638,619
Release of agency endowment liability	18,029	-	-	-	18,029
Change in value of split-interest agreements	24,796	-	-	-	24,796
Gains from beneficial interest in trusts	-	-	2,123,525	(2,123,525)	-
Other income	30,620	-	73,174	-	103,794
Net assets released from restrictions	144,583	-	169,461	-	314,044
	218,028	-	2,366,160	(2,123,525)	460,663
Total Revenues, Gains, and Support	19,012,179	550	2,471,122	(1,711)	21,482,140

York County Community Foundation and Affiliates

Consolidating Statement of Activities (continued)

	Year Ended December 31, 2017				
	York County Community Foundation	York County Community Foundation Advocacy Council	Memorial Health Fund	Eliminations	Total
Expenses					
Program services					
Distributions from funds	4,587,642	-	719,024	(5,872)	5,300,794
Less distributions from agency endowments	718,413	-	-	(4,161)	714,252
Grant Distributions	3,869,229	-	719,024	(1,711)	4,586,542
Charitable programs	803,889	-	-	-	803,889
Total Program Services	4,673,118	-	719,024	(1,711)	5,390,431
Administrative	654,254	550	10,025	-	664,829
Development	391,531	-	-	-	391,531
Total Expenses	5,718,903	550	729,049	(1,711)	6,446,791
Changes in Unrestricted Net Assets	13,293,276	-	1,742,073	-	15,035,349
Unrestricted Net Assets at Beginning of Year	89,684,494	100	16,250,509	-	105,935,103
Unrestricted Net Assets at End of Year	<u>\$ 102,977,770</u>	<u>\$ 100</u>	<u>\$ 17,992,582</u>	<u>\$ -</u>	<u>\$ 120,970,452</u>

York County Community Foundation and Affiliates

Consolidating Statement of Activities (continued)

	Year Ended December 31, 2017				
	York County Community Foundation	York County Community Foundation Advocacy Council	Memorial Health Fund	Eliminations	Total
Changes in Temporarily Restricted Net Assets					
Revenues, Gains, and Support					
Total amounts raised	\$ 256,697	\$ -	\$ -	\$ -	\$ 256,697
Less amounts received as agency endowments	-	-	-	-	-
Contributions	256,697	-	-	-	256,697
Investment income	-	-	48,616	-	48,616
Less investment income for agency endowments	-	-	-	-	-
	-	-	48,616	-	48,616
Change in value of split-interest agreements	325,084	-	-	-	325,084
Net assets released from restrictions	(144,583)	-	(169,461)	-	(314,044)
	180,501	-	(169,461)	-	11,040
Total Revenues, Gains and, Support	437,198	-	(120,845)	-	316,353
Changes in Temporarily Restricted Net Assets	437,198	-	(120,845)	-	316,353
Temporarily Restricted Net Assets at Beginning of Year	3,815,959	-	120,845	-	3,936,804
Temporarily Restricted Net Assets at End of Year	\$ 4,253,157	\$ -	\$ -	\$ -	\$ 4,253,157
Changes in Permanently Restricted Net Assets					
Revenues, Gains, and Support					
Gains from beneficial interest in trusts	\$ 88,383	\$ -	\$ 237,028	\$ -	\$ 325,411
Changes in Permanently Restricted Net Assets	88,383	-	237,028	-	325,411
Permanently Restricted Net Assets at Beginning of Year	913,135	-	2,140,652	-	3,053,787
Permanently Restricted Net Assets at End of Year	\$ 1,001,518	\$ -	\$ 2,377,680	\$ -	\$ 3,379,198

York County Community Foundation and Affiliates

Consolidating Statement of Activities (continued)

	Year Ended December 31, 2016				
	York County Community Foundation	York County Community Foundation Advocacy Council	Memorial Health Fund	Eliminations	Total
Changes in Unrestricted Net Assets					
Revenues, Gains, and Support					
Total amounts raised	\$ 4,631,673	\$ 525	\$ 6,294	\$ (6,799)	\$ 4,631,693
Less amounts received as agency endowments	834,390	-	-	-	834,390
Contributions	3,797,283	525	6,294	(6,799)	3,797,303
Investment income	2,084,490	-	108,479	176,453	2,369,422
Less investment income for agency endowments	185,158	-	-	(937)	184,221
	1,899,332	-	108,479	177,390	2,185,201
Investment gains	4,972,084	-	-	560,116	5,532,200
Less investment gains for agency endowments	889,098	-	-	(4,442)	884,656
	4,082,986	-	-	564,558	4,647,544
Release of agency endowment liability	-	-	-	-	-
Change in value of split-interest agreements	(35,209)	-	-	-	(35,209)
Gains from beneficial interest in trusts	-	-	737,865	(737,865)	-
Other income	154,304	-	324,213	-	478,517
Net assets released from restrictions	296,393	-	9,090	-	305,483
	415,488	-	1,071,168	(737,865)	748,791
Total Revenues, Gains and, Support	10,195,089	525	1,185,941	(2,716)	11,378,839

York County Community Foundation and Affiliates

Consolidating Statement of Activities (continued)

	Year Ended December 31, 2016				
	York County Community Foundation	York County Community Foundation Advocacy Council	Memorial Health Fund	Eliminations	Total
Expenses					
Program services					
Distributions from funds	4,711,840	-	554,623	(6,799)	5,259,664
Less distributions from agency endowments	697,598	-	-	(4,083)	693,515
Grant Distributions	4,014,242	-	554,623	(2,716)	4,566,149
Charitable programs	690,745	-	-	-	690,745
Total Program Services	4,704,987	-	554,623	(2,716)	5,256,894
Administrative	541,984	525	55,272	-	597,781
Development	312,524	-	-	-	312,524
Total Expenses	5,559,495	525	609,895	(2,716)	6,167,199
Changes in Unrestricted Net Assets	4,635,594	-	576,046	-	5,211,640
Unrestricted Net Assets at Beginning of Year	85,048,900	100	15,674,463	-	100,723,463
Unrestricted Net Assets at End of Year	<u>\$ 89,684,494</u>	<u>\$ 100</u>	<u>\$ 16,250,509</u>	<u>\$ -</u>	<u>\$ 105,935,103</u>

York County Community Foundation and Affiliates

Consolidating Statement of Activities (continued)

	Year Ended December 31, 2016				
	York County Community Foundation	York County Community Foundation Advocacy Council	Memorial Health Fund	Eliminations	Total
Changes in Temporarily Restricted Net Assets					
Revenues, Gains, and Support					
Total amounts raised	\$ 54,440	\$ -	\$ -	\$ -	\$ 54,440
Less amounts received as agency endowments	-	-	-	-	-
Contributions	54,440	-	-	-	54,440
Investment income	-	-	72	-	72
Less investment income for agency endowments	-	-	-	-	-
	-	-	72	-	72
Change in value of split-interest agreements	140,733	-	-	-	140,733
Net assets released from restrictions	(296,393)	-	(9,090)	-	(305,483)
	(155,660)	-	(9,090)	-	(164,750)
Total Revenues, Gains, and Support	(101,220)	-	(9,018)	-	(110,238)
Changes in Temporarily Restricted Net Assets	(101,220)	-	(9,018)	-	(110,238)
Temporarily Restricted Net Assets at Beginning of Year	3,917,179	-	129,863	-	4,047,042
Temporarily Restricted Net Assets at End of Year	<u>\$ 3,815,959</u>	<u>\$ -</u>	<u>\$ 120,845</u>	<u>\$ -</u>	<u>\$ 3,936,804</u>
Changes in Permanently Restricted Net Assets					
Revenues, Gains, and Support					
Losses from beneficial interest in trusts	\$ (1,462)	\$ -	\$ (3,271)	\$ -	\$ (4,733)
Changes in Permanently Restricted Net Assets	(1,462)	-	(3,271)	-	(4,733)
Permanently Restricted Net Assets at Beginning of Year	914,597	-	2,143,923	-	3,058,520
Permanently Restricted Net Assets at End of Year	<u>\$ 913,135</u>	<u>\$ -</u>	<u>\$ 2,140,652</u>	<u>\$ -</u>	<u>\$ 3,053,787</u>